

## Message Text

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21

ACTION NEA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 EB-07 CIEP-01 TRSE-00 STR-04 OMB-01 CEA-01

COME-00 XMB-02 FRB-03 SAB-01 SAM-01 NIC-01 IO-10 /091 W

----- 034069

R 080700Z APR 75

FM AMEMBASSY ABU DHABI

TO SECSTATE WASHDC 2806

INFO AMEMBASSY CAIRO

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

C O N F I D E N T I A L ABU DHABI 0742

E.O. 11652: GDS

TAGS: EAID, EFIN, TC

SUBJ: UAE FOREIGN ASSISTANCE

SUMMARY: NEITHER IMF NOR WORLD BANK (IBRD) WILL BE RECIPIENTS OF ABU DHABI LARGESSE IN 1975. GOVERNMENT SHOWS RELUCTANCE TO FULFILL RABAT AID COMMITMENT TO EGYPT. END SUMMARY.

1. ABU DHABI GOVERNMENT (ADG) FINANCE OFFICIAL HAD FOLLOWING COMMENTS ON WITTEVEEN AND MCNAMARA VISITS:  
WORLD BANK: ADG BELIEVES BANK'S BORROWING REQUIREMENTS FULLY SATISFIED ESPECIALLY AFTER FLOATING LARGE LOAN IN NEW YORK AT INTEREST

OF 8 1/2 PERCENT. ADG SEES THIS RATE OF INTEREST AS BURDEN FOR MSA'S AND THEREFORE WILL PROBABLY CONTRIBUTE SOMETHING TO QUOTE THIRD WINDOW UNQUOTE, BUT CERTAINLY QUOTE NOT AS MUCH AS MCNAMARA ASKED FOR UNQUOTE.

IMF: ADG HAS MADE NO COMMITMENTS TO EXPANDED OIL FACILITY

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BECAUSE LAST YEAR'S LOAN IS NOT FULLY DRAWN DOWN. IMF TEAM

HERE EARLY MARCH GAVE IMPRESSION TO EMBASSY OFFICER THAT SINCE ADG WAS SUFFICIENTLY FORTHCOMING IN 1974, AND RECOGNIZING EXTENT ADG BILATERAL AID COMMITMENTS, WITTEVEEN DID NOT EXPECT MUCH FROM ABU DHABI IN 1975. GOVERNMENT OFFICIALS HERE STATE THAT IMF WAS QUOTE UNHAPPY UNQUOTE WITH DOLLARS 120 MILLION IN 1974 AND WAS NOT AT ALL SATISFIED WITH ADG UNWILLINGNESS TO CONTRIBUTE AGAIN IN 1975.

2. QUESTION OF VOTING RIGHTS WAS DISCUSSED WITH BOTH WITTEVEEN AND MCNAMARA AND ADG NOTES CONFLICT BETWEEN TWO. WORLD BANK ADHERING TO 15 PERCENT INCREASE OF VOTING STRENGTH FOR OIL EXPORTERS WHEREAS IMF IS NOW TALKING ABOUT TEN PERCENT INCREASE. ACCORDING GOVERNMENT OFFICIAL, ADG COULD NOT BE EXPECTED TO SUPPORT ANY ORGANIZATION (READ IMF) WHICH DID NOT RECOGNIZE GREATER FINANCIAL STRENGTH OF OIL EXPORTERS.

3. ON FOREIGN ASSISTANCE IN GENERAL, OFFICIAL HINTED THAT SOME BILATERAL AGREEMENTS MAY HAVE TO BE STRETCHED OUT INTO ANOTHER FISCAL YEAR. IN PARTICULAR, OFFICIAL MENTIONED ADG SUPPORT FOR EGYPT UNDERTAKEN AT RABAT SUMMIT. ORIGINAL AGREEMENT, HE CONTINUED, WAS TO PROVIDE FINANCIAL ASSISTANCE OVER 2-3- YEAR PERIOD.

4. COMMENT: WHILE ABOVE IS CONTINUING REFLECTION OF ADG REVENUE SQUEEZE OVER FIRST TWO MONTHS OF YEAR, WE HAVE OUR DOUBTS THAT THERE WILL BE MAJOR DELAYS OR CUTS IN SUPPORT TO CONFRONTATION STATES. IN FIRST INSTANCE, REGARDLESS OF FINANCIAL CONSTRAINTS, SUCH AID FIRST AND FOREMOST A POLITICAL MATTER AND WE DETECT NO SLACKENING OF SHAIKH ZAYID'S SUPPORT FOR THIS CAUSE. EQUALLY IMPORTANT, WITH OIL PRODUCTION ONCE AGAIN ON RISE, FINANCIAL PRESSURES SHOULD EASE TO OBVIOUS BENEFIT TO NUMBER ONE PRIORITY RECIPIENT -- CONFRONTATION STATES. LESSER PRIORITIES -- E.G. IBRD & IMF -- MAY WELL CONTINUE TO WAIT, HOWEVER, AT LEAST UNTIL SUCH TIME AS ADG CONVINCED HIGHER LEVELS MF CURDE PRODUCTION LIKELY BE MAINTAINED ON MORE OR LESS PERMANENT BASIS.  
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## Message Attributes

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